

LEBOEUF, LAMB, GREENE & MACRAE
LLP

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

NEW YORK
WASHINGTON DC
ALBANY
BOSTON
DENVER
HARRISBURG
HARTFORD
HOUSTON
JACKSONVILLE
LOS ANGELES
NEWARK
PITTSBURGH
SALT LAKE CITY
SAN FRANCISCO

260 FRANKLIN STREET
BOSTON, MA 02110-3173

(617) 748-6800

FACSIMILE (617) 439-0341

E-MAIL ADDRESS PATRICIA.FRENCH@LLGM.COM

WRITERS DIRECT DIAL (617) 748-6830

WRITERS DIRECT FACSIMILE (617) 897-9030

LONDON
(A LONDON BASED)
MULTINATIONAL PARTNERSHIP

PARIS
BRUSSELS
JOHANNESBURG
(PTY) LTD

MOSCOW
RIYADH
(AFFILIATED OFFICE)

TASHKENT

BISHKEK

ALMATY

BEIJING

December 20, 2002

BY HAND

Kevin Brannelly, Rates and Revenue Requirements
Massachusetts Department of Telecommunications
and Energy
One South Station
Boston, MA 02110

Re: Fitchburg Gas and Electric Light Company Annual Electric Reconciliation
Mechanism and INflation Adjustment Filing, D.T.E. 02-84

Dear Mr. Brannelly:

Enclosed are two copies of Fitchburg Gas and Electric Light Company ("FG&E")
tariffs for the electric division

M.D.T.E. No. 92, Sheets 1 & 2, Canceling M.D.T.E. No. 86
M.D.T.E. No. 93, Sheets 1 through 3, Canceling M.D.T.E. No. 87
M.D.T.E. No. 94, Sheets 1 through 7, Canceling M.D.T.E. No. 88
M.D.T.E. No. 95, Sheets 1 through 6, Canceling M.D.T.E. No. 89
M.D.T.E. No. 96, Sheet 1, Canceling M.D.T.E. No. 33
M.D.T.E. No. 97, Sheets 1 & 2, Canceling M.D.T.E. No. 35
M.D.T.E. No. 98, Sheet 1, Canceling M.D.T.E. No. 36
M.D.T.E. No. 99, Sheets 1 through 8, Canceling M.D.T.E. No. 44
M.D.T.E. No. 100, Sheets 1 through 6, Canceling M.D.T.E. No. 91
M.D.T.E. No. 101, Sheet 1, Canceling M.D.T.E. No. 40

for effect on and after January 1, 2003, filed this date with the Secretary of the Department of
Telecommunications and Energy ("Department").

I am pleased to advise the Department that the rates that result from these tariff changes reduce the average bill of a 500 kWh residential customer by 4.36%. FG&E asks that they be approved.

In support and explanation for these tariffs, I enclose two copies of the annual Electric Reconciliation Mechanism and Inflation Adjustment filing for FG&E. The Reconciliation Filing includes the prefiled direct Testimonies of Mark H. Collin, Karen M. Asbury and Douglas J. Debski, in support thereof.

As described in detail in the testimonies and schedules filed in support, FG&E's filing is designed to implement FG&E's 2003 adjustable electric rate mechanisms. FG&E has proposed changes to its Standard Offer Service Fuel Adjustment as well. This filing complies with the directives in the Department's Order in D.T.E. 01-103-A and D.T.E. 02-24/25.

- FG&E's Transition Charge is reconciled in this filing in accordance with the Transition Cost Adjustment ("TCA"), Schedule TCA, M.D.T.E. No. 98. FG&E has calculated the Uniform Transition Charge ("UTC") to be \$0.01187 per kWh. The reconciliation indicates an under-collection of \$12,797,153 at December 31, 2002. However, consistent with maintaining the rate cap required by statute, FG&E is not seeking at this time to recover the under-collection accrued, but has instead set the TCA effective January 1, 2003 at \$0.00000 per kWh. FG&E estimates an under-collection of \$ 16,934,241 at December 31, 2003.
- FG&E's Standard Offer Service Charge ("SOS") is reconciled in accordance with Schedule SOS, M.D.T.E. No. 99. FG&E's SOS reconciliation indicates an under-collection of \$6,650,557 at December 31, 2002. However, again, because of the rate cap, FG&E cannot increase the SOS Charge above \$0.04700 per kWh, the rate for 2003 pursuant to FG&E's tariff. FG&E estimates an under-collection of \$7,045,438 at December 31, 2003.
- The Default Service Charge is reconciled in accordance with Schedule DS, M.D.T.E. No. 101. FG&E's reconciliation indicates an under-collection of \$540,825 at December 31, 2002. FG&E proposes a Default Service Adjustment of \$0.00000 per kWh, yielding an under-collection at year-end 2003 of \$653,600.
- The Internal Transmission Charge is reconciled with the Internal Transmission Service Cost Adjustment ("ITSCA"), Schedule ITSCA, M.D.T.E. No. 34. The reconciliation indicates an over-collection of \$29,442 at December 31, 2002. Combining this over-collection with the estimated costs for the year 2003 yields an ITSCA of \$0.00005 per kWh effective January 1, 2003. Implementation of this charge is expected to reconcile costs fully at year-end 2003.
- The External Transmission Charge ("ETC") is proposed to be reset in accordance with Schedule ETC, M.D.T.E. No. 97. The reconciliation indicates an under-

collection of \$182,920 at December 31, 2002. Combining this under-collection with the estimated costs for the year 2003 yields a new ETC of \$0.00362 per kWh effective January 1, 2003. Implementation of this charge is expected to reconcile costs fully at year-end 2003.

- The Standard Offer Service Fuel Adjustment ("SOSFA") was calculated in accordance with the historical fuel index. Including FG&E's year end 2000 SOSFA balance of \$2,622,479 accumulated between April and December 2000 that was transferred to its SOS balance, the reconciliation indicates an under-collection of \$772,393 at December 31, 2002. FG&E proposes a base SOSFA of \$0.00660 per kWh. Implementation of this charge is expected to reconcile all costs, including the 2000 costs in the Standard Offer Service account, fully at year-end 2003. FG&E will present its deferrals to the Department at mid-year 2003.
- FG&E's Inflation Adjustment complies with the Department's December 17, 1999 instructions related to its method of calculation.

Rate summaries and bill impacts for the proposed rate changes are also included. As the Department had previously directed, the 2003 rates reflect that FG&E has maintained a UTC while implementing the required 15 percent rate decrease for each rate class.

Please do not hesitate to telephone me with any questions.

Very truly yours,



Patricia M. French

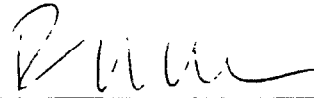
cc: Mary L. Cottrell, Secretary, MDTE
Paul Afonso, General Counsel, MDTE
Joseph Rogers, Assistant Attorney General
Todd L. Shimkus, V.P., North Central Chamber of Commerce

bs85778

CERTIFICATION

I, Patricia M. French, certify that I served a copy of the within on each of the individuals on the service list in D.T.E 02-84 on file with the Secretary of the Department of Telecommunications and Energy.

Dated at Boston, Massachusetts, this 20th of December, 2002.

A handwritten signature in dark ink, appearing to read 'P. M. French', is written above a horizontal line.

Patricia M. French